



DONELAN CLEARY
WOOD & MASER, P.C.

RECORDATION NO. 21092-S FILED

AUG 31 '99

3-45 PM

August 31, 1999

Recordation No. 21092-S

Dear Mr. Williams:

On behalf of NationsBank Leasing Corporation (successor to NationBank Leasing Corporation of North Carolina), I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Release of a Part of Security Collateral and the Security Interest in Related Leases Thereof ("Release") made as of August 31, 1999.

The party to the enclosed Release is:

NationsBank Leasing Corporation (successor
by merger to NationsBank Leasing Corporation
of North Carolina)
Interstate Tower
121 West Trade Street
Charlotte, NC 28255-0001

- RELEASING PARTY

The said Release is a release only of the units of railcar collateral listed in Schedule A thereto (copy attached) from that certain Amended and Restated Memorandum of Security Agreement - Chattel Mortgage recorded under Recordation No. 21092-J, as corrected by the Correction recorded under Recordation No. 21092-K, and is a release of the security interest in the leases thereof only as the leases relate to the aforesaid units of railcars, and should be recorded under the next available letter under Recordation No. 21092, which letter we believe is "-S."

The equipment covered by the instant Release is as identified in Schedule A.

A short summary of the Release to appear in the Surface Transportation Board Index is as follows:

"Release of only the units of railcar collateral as listed in Schedule A thereto and release of security interest in the leases thereof only as they relate to the said units of railcars."

Please enter under this Recordation No. the following cross index reference:

"See Recordation Nos. 21609-B, 21610-B and 22254-A."

Please index separately the name NationsBank Leasing Corporation in the mortgagee side of the Surface Transportation Board Index (white pages), saying: "See Recordation No. 21092-S."

ATTORNEYS AND COUNSELORS AT LAW

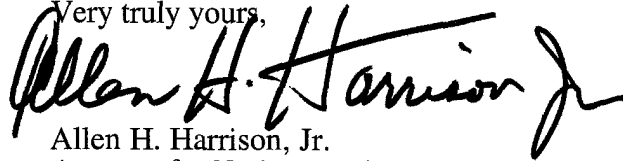
1100 New York Avenue, N.W., Suite 750, Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

Copy to go to H. Williams

Enclosed is a check in the amount of seventy-eight dollars, twenty-six dollars of which is in payment of the filing fee, and fifty-two of which is for each of the two requested extra indexings.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink, reading "Allen H. Harrison Jr." with a stylized flourish at the end.

Allen H. Harrison, Jr.
*Attorney for NationsBank Leasing
Corporation, for the purpose of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Enclosures

BY HAND

8207-020

Schedule A

SCHEDULE OF EQUIPMENT

EQUIPMENT TYPE	NUMBER OF CARS	CAR MARKS
6245 Plastic Pellet Lined Covered Hopper Cars	50	PSPX 9201 - PSPX 9250
3250 Unlined Covered Hopper Railcars	75	FLOX 983286 - FLOX 983360
3250 Lined Covered Hopper Cars	25	FLOX 983369 - FLOX 983393

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RELEASE OF A PART OF SECURITY COLLATERAL
AND THE SECURITY INTEREST IN RELATED LEASES THEREOF

THIS RELEASE OF A PART OF SECURITY COLLATERAL AND THE SECURITY INTEREST IN RELATED LEASES THEREOF is made as of August 31, 1999 by NationsBanc Leasing Corporation, successor by merger to NationsBanc Leasing Corporation of North Carolina, located at Interstate Tower, NC1-005-15-05, 121 West Trade Street, Charlotte, North Carolina 28255-0001 ("Secured Party"), for the benefit of Flex Leasing Corporation, located at Suite 300, 234 Front Street, San Francisco, California 94111 ("Borrower").

WITNESSETH:

WHEREAS, the parties entered into that certain Loan Agreement among Borrower, as borrower, the Lenders listed on the signature pages thereof and Secured Party, as administrative agent, on December 19, 1997, as amended, and that certain Security Agreement - Chattel Mortgage between Borrower, as debtor, and Secured Party, as secured party, on December 19, 1997, as amended (collectively, the "Loan Documents"), whereby Borrower granted a security interest in certain railcars and leases related thereto to Secured Party as collateral for the Loan.

WHEREAS, to evidence the grant of the security interest in such collateral, Secured Party and Borrower (the "Parties") entered into that certain Memorandum of Security Agreement - Chattel Mortgage dated as of December 19, 1997, recorded with the Surface Transportation Board ("STB") on December 19, 1997 under Recordation No. 21092 and with the Registrar General of Canada ("RGC") on December 22, 1997 at 3:40 p.m.; and

WHEREAS, the Parties thereafter entered into, executed and recorded with the STB and the RGC ten (10) documents, each entitled Amended and Restated Memorandum of Security Agreement - Chattel Mortgage, the final of such documents recorded with the STB on December 11, 1998 under Recordation No. 21092-J and with the RGC on December 14, 1998, as corrected by that certain Correction to Amended and Restated Memorandum of Security Agreement - Chattel Mortgage, recorded with the STB on December 18, 1998 under Recordation No. 21092-K and with the RGC on December 23, 1998, which said final document restated and listed in its entirety all units of railcar collateral (Schedule A thereto) and all leases thereof (Schedule B thereto), subject to the aforesaid Memorandum of Security Agreement - Chattel Mortgage; and

WHEREAS, the Borrower has paid and fulfilled certain of its obligations and undertakings to the Secured Party under the provisions of the said Loan Documents; and

WHEREAS, Secured Party, in recognition of the aforesaid payment to it by Borrower, is willing to release from the said Loan Documents and Amended and Restated Memorandum of Security Agreement - Chattel Mortgage its lien on certain units of railcar collateral and its security interest in the leases of the said units of railcar collateral, all only as specified herein.

NOW THEREFORE, in consideration of the payment by Borrower to Secured Party and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, intending to be legally bound, the Secured Party hereby releases in full its lien and all of its right, title and interest ONLY in the units of railcar collateral as listed in Schedule A attached

hereto and likewise releases in full its security interest in the leases as listed in Schedule B attached hereto ONLY as they relate to the aforesaid units of railcar collateral.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, NationsBanc Leasing Corporation, successor by merger to NationsBanc Leasing Corporation of North Carolina, has duly executed this RELEASE OF A PART OF SECURITY COLLATERAL AND THE SECURITY INTEREST IN RELATED LEASES THEREOF as of the date first hereinabove written.

NATIONSBANC LEASING CORPORATION

(Successor by merger to NationsBanc Leasing Corporation of North Carolina.)

BY: Herbert T. Thureau

NAME: HERBERT T. THURAU
SENIOR VICE PRESIDENT

TITLE: _____

STATE OF NORTH CAROLINA)

)

ss.

COUNTY OF MECKLENBURG)

On this 23rd day of August, 1999, before me personally appeared Herbert T. Thureau, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of NationsBanc Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the said instrument was the free act and deed of said corporation.

Carolee L. Dord

NOTARY PUBLIC

My commission expires: 12/4/99

Schedule A

SCHEDULE OF EQUIPMENT

EQUIPMENT TYPE	NUMBER OF CARS	CAR MARKS
6245 Plastic Pellet Lined Covered Hopper Cars	50	PSPX 9201 - PSPX 9250
3250 Unlined Covered Hopper Railcars	75	FLOX 983286 - FLOX 983360
3250 Lined Covered Hopper Cars	25	FLOX 983369 - FLOX 983393

SCHEDULE B

Lease Agreements

1. Master Car Lease Agreement dated as of August 7, 1998 by and between Flex Leasing Corporation ("Lessor") and Phillips Petroleum Company ("Phillips") and Schedule No. 01 to Master Car Lease Agreement dated August 7, 1998 between Lessor and Phillips.
2. Master Car Lease Agreement dated as of August 24, 1998 by and between Lessor and J.M. Huber Corporation ("J.M. Huber") and Schedule No. 01 to Master Car Lease Agreement dated as of August 24, 1998 by and between Lessor and J.M. Huber.
3. Master Car Lease Agreement dated as of May 14, 1999 by and between Lessor and Holnam, Inc. ("Holnam"), Schedule No. 01 to Master Car Lease Agreement dated as of May 14, 1999 by and between Lessor and Holnam and Amendment to Schedule No. 01 to Master Car Lease Agreement dated as of May 20, 1999 by and between Lessor and Holnam.